

U→C
5/18/10

OE3 initial Proposal to the City of San Jose May 17, 2010

In order to assist the City of San Jose with their current financial issues the Operating Engineers proposes the following in order to reach the 10 % concession target.

Term: 2 years - July 1, 2010 - July 1, 2012

Year 1

Employees will make a 5% tax deferred contribution in accordance with 414(h)(2) of the Internal Revenue Services Code to the Federated Retirement Fund. This contribution is intended to offset City contributions on behalf of the employee. (estimated saving including actuarially assumed contribution increases 7.5%)

Maintain the current pay rates of all employees.

Eliminate all part time employees within the classifications covered by Bargaining Unit 61 (Estimated savings 3%)

Continue Step increase freeze. (Estimated savings 1%)

All other provisions of the collective bargaining agreement remain in effect.

Year 2

Continue 5% employee tax deferred contribution to the Federated Retirement Fund. (estimated savings 7.5%)
Sunsets July 1, 2012.

No rehire of part time employees. (estimated savings 3%)

Step increases unfrozen January 1, 2011. (estimated savings 0.5%)

All new hires after July 1, 2011 will be enrolled in a Voluntary Benefits Association (VEBA)

All other provisions of the collective bargaining agreement remain in effect

No full time permanent employee lay offs for the term of the agreement

Year 1 savings 11.5%

Year 2 savings 11%